



To: Members of the RCRC Board of Directors
From: Paul A. Smith, Vice President Governmental Affairs
Sheryl Cohen, Partner, American Continental Group
Max Seltzer, Research Associate, American Continental Group
Date: September 14, 2020
Re: State & Federal Legislative Update

Summary

This memo provides an update on issues being addressed at the state and federal level.

State Legislative Update

On August 31st, the 2020 Legislative Session came to an end upon adjournment. Since returning from Summer Recess in early July, the Legislature focused primarily on bills related to COVID-19, housing, criminal justice, worker protections, and health and safety. The Governor has until September 30th to act on bills that have reached his desk. Barring a convening of a Special Session, the Legislature is slated to convene in early December to commence the 2021 Legislative Session.

In addition, in the late hours of August 31st, the Legislature approved 10 additional budget trailer bills that assist in the implementation of the 2020-21 State Budget Package. The latest actions by the Legislature addresses changes to the current fiscal year budget, property tax assessment appeals, education finance, juvenile justice, criminal justice administrative fees, and cannabis. Unfortunately, the revised State Budget Package does not include an expenditure plan for the Assembly Bill 32 Cap-and-Trade Auction proceeds. The State Budget Package also does not address the wildfire prevention allocation package proposal that was subject of much consideration in the final week of the 2020 Legislative Session. The Governor has until September 30th to act on the bills and it is expected the Governor will sign these additional budget trailer bills with minimal-to-no-changes. The Rural Rundown - Summary of the Revised 2020-21 State Budget Package 3.0 can be accessed [here](#).

Federal Legislative Update

Another Round of COVID-19 Relief Funding

On September 8th, Senate Republicans unveiled a targeted coronavirus (COVID-19) [relief package](#), a plan far smaller than what lawmakers on both sides of the aisle spent weeks discussing. The [bill](#), released by Senate Majority Leader Mitch McConnell (R-Kentucky), did not include any direct funding for state and local governments nor funding for another round of stimulus checks for Americans. However, it did contain a \$300 per week federal unemployment benefit through the end of the year, another round of Paycheck Protection Program funding, liability protections, \$105 billion for schools, and an additional \$16 billion for COVID-19 testing. Legislative language would also make a Treasury Department loan to the United States Postal Service, authorized under the CARES Act in March, forgivable.

Two days later, the Senate voted 52-47 on the relief package, short of the 60 votes needed to overcome a procedural block from the Democrats. Democratic Senate Minority Leader Chuck Schumer (D-New York) specifically decried the lack of broadband and state and local funding in the GOP bill in a [tweet after the failed vote](#).

Land and Water Conservation Fund Renewed

On August 4th, President Trump [signed into law](#) the Great American Outdoors Act, a measure with broad bipartisan support that provides mandatory annual funding of \$900 million to the Land and Water Conservation Fund (LWCF) and offering billions toward fixing the nation's crumbling parks and public lands. Permeant LWCF funding has been debated in Congress for years but had failed to gain legislative traction until President Trump withdrew his opposition. President Trump heralded the new law as a groundbreaking environmental achievement that he and the Republican deserved credit for, "at some point, they'll have to start thinking about the Republican Party and all of the incredible things we've done on conservation and many other fronts."

Secure Rural Schools & Payment in Lieu of Taxes

The FY 2019 Appropriations Package had a two-year authorization of the Secure Rural Schools (SRS) program, which will cover payments made in FY 2020 and FY 2021. As part of that spending package, 29 California counties will receive approximately \$22.6 million in SRS formula payments. Absent Congressional action, the last authorized SRS payments will be made to counties in Spring 2021.

On September 6th, Treasury Secretary Steven Mnuchin [said](#) he and House Speaker Nancy Pelosi had agreed to avert any government shutdown at the end of the fiscal year on September 30th by passing a "clean" continuing spending resolution separately from COVID-19 relief negotiations. The continuing resolution is expected to last through early December, although the exact date has not yet been agreed on. A spending bill into December would allow lawmakers to return to the Capitol for a "lame-duck" session following the election and complete spending legislation for the FY 2021 that starts October 1st. This FY 2021 spending legislation is where any future SRS funding would likely be included. Furthermore, payments under the Payment in Lieu of Taxes program will continue in the manner they were made prior to 2021.

Re-authorization of the Surface Transportation Bill (Commonly Known as the “Highway Bill”)

With the FAST Act (“The Highway Bill”) expiring in less than a month, lawmakers in both chambers are beginning to acknowledge the inevitability of a surface transportation extension, likely lasting one year. A yearlong extension would give the next Congress time to get organized, which will be especially key if either chamber or the White House changes party control. The extension could pass by unanimous consent as a standalone bill or be attached to a continuing resolution to keep the government funded, which has the same September 30th deadline.

Wildfire (Feinstein legislation)

On August 5th, Senator Dianne Feinstein and Steve Daines (R-Montana) introduced the *Emergency Wildfire and Public Safety Act* (S. 4431). This legislation would help protect communities from catastrophic wildfires by implementing wildfire mitigation projects, sustaining healthier forests that are more resilient to climate change, and providing important energy and retrofitting assistance to businesses and residences to mitigate future risks from wildfire. The House companion bill is being led by Congressman Jimmy Panetta (D-Monterey).

On September 16th, the Senate Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining is scheduled [to hold a hearing](#) on the legislation.

RCRC has sent a letter endorsing the legislation, stating that the bill will help alleviate and offset some of the costs associated with forest management and aid California in reducing its carbon emissions by encouraging utilization and sequestration of woody byproducts that currently are being piled and burned or otherwise left to contribute to the state’s greenhouse gas inventory. The legislation will also ultimately serve to help California with its long-term fuels treatment goals, which is desperately needed to reduce the frequency and severity of catastrophic wildfires that have become a normal occurrence throughout the state.

Staff Recommendation

Information only. RCRC staff continues to work on items that impact California’s rural counties. Also, RCRC’s federal advocacy team continues to engage on issues of importance at the federal level.

Attachment

- “Forget a Special Legislative Session. California Lawmakers First Need to Get Their Act Together” by George Skelton in Los Angeles Times; Dated September 10, 2020